

Message Text

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ACTION PM-04

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FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 3659

C O N F I D E N T I A L BOGOTA 2036

EO: 11652: GDS

TAGS: MASS CO

SUBJ: GOC PURCHASE OF C-47 AIRCRAFT

REF: STATE 41090, BOGOTA 946, BOGOTA 1669

1. SATENA IS A GOVERNMENT-OWNED COMMERCIAL ENTERPRISE, ASSOCIATED WITH THE MINISTRY OF DEFENSE, WHICH WAS ESTABLISHED IN 1968 FOR THE PURPOSE OF PROVIDING AIR CARGO AND PASSENGER SERVICE TO THE LESS DEVELOPED REGIONS OF THE COUNTRY. EXCERPTS FROM DECREE NO. 2344 OF 1971 (AS MODIFIED BY DECREE NO. 85 OF 1976) REGARDING THE ORGANIZATION AND FUNCTIONS OF SATENA, ARE AS FOLLOWS:

ARTICLE 1 - THE NATIONAL TERRITORIES AIR SERVICE - SATENA - CREATED BY LAW 80 OF 1968, WILL IN THE FUTURE OPERATE AS A STATE-OWNED COMMERCIAL ENTERPRISE ASSOCIATED WITH THE MINISTRY OF DEFENSE, WITH LEGAL AUTHORITY, ADMINISTRATIVE AUTONOMY AND AN INDEPENDENT CAPITAL STRUCTURE, AND SHALL BE RESPONSIBLE FOR CARRYING OUT THE POLICY AND GENERAL PLANS ADOPTED BY THE NATIONAL GOVERNMENT WITH REGARD TO AIR TRANSPORT FOR THE LESS DEVELOPED REGIONS OF THE COUNTRY.

ARTICLE 2 - THE FUNCTIONS OF THE NATIONAL TERRITORIES AIR SERVICE - SATENA - WILL BE AS FOLLOWS:

A. PROVIDE AIR CARGO AND PASSENGER SERVICE TO THE LESS DEVELOPED REGIONS OF THE COUNTRY.

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B. COLLABORATE WITH APPROPRIATE SPECIALIZED ENTITIES AS RE-

GARDS THE FORMULATION AND EXECUTION OF PROGRAMS RELATED TO EDUCATIONAL, SANITARY AND TECHNICAL ASSISTANCE; AGRICULTURAL AND INDUSTRIAL DEVELOPMENT; STIMULUS AND ASSISTANCE TO COLONIZATION EFFORTS; AND ECONOMIC AND SOCIAL DEVELOPMENT IN GENERAL IN THE LESS DEVELOPED REGIONS OF THE COUNTRY.

C. LINK OUTLYING REGIONS OF THE COUNTRY TO THE NATIONAL ECONOMY BY MEANS OF AIR SERVICE.

ARTICLE 11 - THE BOARD OF DIRECTORS OF SATENA WILL BE:

A. THE MINISTER OF NATIONAL DEFENSE OR HIS DELEGATE, WHO WILL PRESIDE.

B. THE MINISTER OF AGRICULTURE OR HIS DELEGATE.

C. THE CHIEF OF THE ADMINISTRATIVE DEPARTMENT OF NATIONAL TERRITORIES.

D. THE COMMANDER OF THE COLOMBIAN AIR FORCE.

E. THE CHIEF OF AIR OPERATIONS OF THE COLOMBIAN AIR FORCE.

ARTICLE 16 - THE MANAGER OF SATENA IS AN AGENT OF THE PRESIDENT OF THE REPUBLIC AND MAY BE FREELY APPOINTED OR REMOVED BY HIM. ... THE MANAGER OF SATENA WILL BE A SENIOR OR GENERAL OFFICER OF THE AIR FORCE, EITHER ON ACTIVE DUTY OR RETIRED.

2. AS WILL BE SEEN FROM THE ABOVE, SATENA IS ASSOCIATED WITH THE COLOMBIAN AIR FORCE, BUT WITH A REASONABLE DEGREE OF AUTONOMY TO PERMIT IT TO CARRY OUT ITS BASIC FUNCTIONS WHICH ARE CIVILIAN ORIENTED. PILOTS ARE FROM THE AIR FORCE AND MAINTENANCE SERVICES ARE PERFORMED AT AIR FORCE INSTALLATIONS. HOWEVER, THE BOARD OF DIRECTORS IS MIXED AND THE ENTERPRISE IS EXPECTED TO OPERATE BASICALLY ON COMMERCIAL TERMS WITH A MINIMUM OF CASH SUBSIDIES FROM THE CENTRAL GOVERNMENT.

3. THE FACT THAT SATENA OPERATES AS A COMMERCIAL ENTERPRISE IS NOT TO SAY THAT THE COMPANY'S AIRCRAFT WOULD NOT BE USED TO TRANSPORT MILITARY PERSONNEL AND CARGO IN EVENT OF AN EMERGENCY. HOWEVER, IN REALITY ALL COLOMBIAN-REGISTERED AIRCRAFT ARE SUBJECT TO GOVERNMENT CONTROL IN AN EMERGENCY SITUATION.

4. AS REGARDS FINANCING, SATENA IS INVESTIGATING A NUMBER OF POSSIBILITIES. THE COMPANY HAS INQUIRED AS TO THE POSSIBILITY OF AN EXPORT-IMPORT BANK LOAN, AND HAS BEEN INFORMED OF EXIMBANK'S CONFIDENTIAL

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RESTRICTIONS ON FINANCING ACQUISITIONS OF MILITARY EQUIPMENT. THE COMPANY IS ALSO LOOKING INTO OBTAINING COMMERCIAL BANK FINANCING FROM A U.S. BANK. THE COMPANY IS NOT REPEAT NOT INTERESTED IN FMS FINANCING.

5. AS WE SEE IT, THE PROBLEM FOR THE U.S. AT THIS POINT IS NOT FINANCING, BUT FINDING A WAY TO CUT THROUGH OUR OWN BUREAUCRACY SO THAT WE CAN RESPOND QUICKLY AND FAVORABLY TO SATENA'S REQUEST

TO PURCHASE USED, EXCESS PROPERTY C-47S. WHAT WE NEED NOW IS
WASHINGTON'S AUTHORIZATION TO OFFER SATENA SIX C-47S (WITH SPARES,
OVERHAUL, ETC.), AND INITIATION OF EXAMINATION AND EVALUATION PRO-
CEDURES ON THE AIRCRAFT AT DAVIS-MONTHAN AFB SO THAT PRICES CAN
BE DETERMINED.

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